

**Insurance Department  
Review Requirements Checklist**

**Private Passenger Auto  
(19 & 21)**

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
<b>FORMS</b>		
<b>Applications</b>		
Incorporated by reference	31A-21-106	Except as provided in this subsection an insurance policy may not contain any agreement or incorporate any provision not fully set forth in the policy, in an application, or other document at the time of delivery
<b>Arbitration</b>		
Permissible Arbitration	R590-122 – Bulletin 96-7	Policies that contain a binding arbitration provision are permitted, however mandatory binding arbitration may preempt an insured's access to some courts. See actual rule for disclosure statement
<b>Bankruptcy Provision</b>		
Provision of liability insurance	31A-22-201	Every liability insurance policy shall provide that the bankruptcy or insolvency of the insured may not diminish any liability of the insurer to third parties, and that if execution against the insured is returned unsatisfied, an action may be maintained against the insurer to the extent that the liability is covered by the policy.
<b>Cancellation &amp; Non-renewal</b>		
Terminations of insurance policies by insurers (Cancellations)	31A-21-303 – Bulletin 96-7	Non payment cancels need 10 days notice after delivery, Cancellation for acceptable grounds (see code for breakdown) need 30 days notice after delivery, Cancellation in the 1 <sup>st</sup> 60 days need a 10 day notice after delivery.
Terminations of insurance policies by insurers (Non-Renewals)	31A-21-303 – Bulletin 96-7	Non-renewal notices need 30 days notice, Renewals need no more than 45 days but no less than 14 days prior to the due date of the renewal premium (see code for requirements). If insurer offers or purports to renew the policy, but on less favorable terms or at higher rates, the new terms or rates take effect on the renewal date when sent by first-class mail at least 30 days prior to expiration.
<b>Filing Standards</b>		
Filing of forms	31A-21-201- Rule R590-225	File and Use – Forms cannot be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourages misrepresentation, or not in the public interest
Policies, applications & certificates	31A-21-101	(a) Delivered or issued for delivery in this state; (b) on property ordinarily located in this state: (c) on persons residing in this state when the policy is issued; and (d) on business operations in this state.
<b>Financial Responsibility</b>		
Prior Insurance	R590-128 – Bulletin 96-7	Unfair discrimination based solely on the failure to maintain Automobile ins. The underwriter must determine the reason for no prior insurance. If reason is legitimate and shows compliance with the financial responsibility law, the risk cannot be denied coverage or rated differently than someone with prior insurance.
Excluded Drivers	31A-22-303-7 – Bulletin 96-7	In general, Driver exclusion endorsements are not permissible in Utah. There are two acceptable cases; 1-a person who is a resident of the named insured's household, including a person who usually makes his home in the same household but temporarily lives elsewhere, if each person excluded from coverage satisfies the owner's or operator's security requirement of 41-12a-301. 2-If the driver to be excluded is insured elsewhere.
Credit Scoring	31A-22-320	Credit scoring may only be used for initial underwriting and must be in the form of a discount which cannot be removed or reduced.
<b>Punitive Damages</b>		
U/W limitations	31A-20-101– Bulletin 96-7	No insurer may insure or attempt to insure against punitive damages
<b>Loss Settlement</b>		
Unfair claim settlement practices	31A-26-303	No insurer or person representing an insurer may engage in any unfair claim settlement practice. Claim settlement practices may not be misleading, deceptive, unfairly discriminatory, overreaching, or an unreasonable restraint on competition (see code for detailed unfair practices)
Notice and proof of loss	31A-22-203, Bulletin 87-6	This statutory provision, in effect, allows unlimited time period for filing notice and /or proof of loss – as long as the claimant shows it was not reasonably possible to file the notice and/or proof of loss within the time period.
Unfair Property, Liability & Title Claims Settlement	R590-190	Minimum standards for the investigation and disposition of property, liability and title claims arising under contracts or certificates issued to residents of the State of Utah

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<b>Coverage's</b>		
Bodily Injury – Property Damage	31A-22-304	Minimum limits – 25-50-15 (split) 65,000 (single)
Uninsured/Underinsured	31A-22-305(5)	UM and are separate and distinct coverage's. Neither the coverage nor their limits may be combined. Both coverage's must be provided unless the insured rejects each coverage in writing. The coverage's are not contingent upon each other. One or both may be selected or rejected.
Uninsured motorist coverage	31A-22-305(5)	Policy forms may not restrict the definition of "uninsured motor vehicle" to actual physical contact.
Uninsured motorist coverage	31A-22-305	Minimum limits 25-50 split or 65,000 single – Insurer must offer limits equal to the Bodily injury limit. The insurer must provide a form by which the insured can acknowledge in writing – waives the higher coverage, reasonably explains the purpose of uninsured motorist coverage; and discloses the additional premiums required to purchase uninsured motorist coverage with limits equal to the lesser of the limits of the insured's motor vehicle liability coverage or the maximum uninsured motorist coverage limits available by the insurer under the insured's motor vehicle policy. This coverage may be rejected by acknowledging in writing on the form provided by the insurer, the form will also need to include a reasonable explanation of the purpose of uninsured motorist.
Uninsured motorist coverage	31A-22-305	Minimum limits 10-20 – Insurer must offer limits equal to the Bodily injury limit. The insurer must provide a form by which the insured can acknowledge in writing – waives the higher coverage, reasonably explains the purpose of underinsured motorist coverage; and discloses the additional premiums required to purchase underinsured motorist coverage with limits equal to the lesser of the limits of the insured's motor vehicle liability coverage or the maximum underinsured motorist coverage limits available by the insurer under the insured's motor vehicle policy. This coverage may be rejected by acknowledging in writing on the form provided by the insurer, the form will also need to include a reasonable explanation of the purpose of underinsured motorist.
Uninsured motorist property damage	31A-22-305.5	Insurer must provide UMPD if Collision is not provided. The limit is 3,500 or the motor vehicles ACV which ever is less. A \$250 deductible applies. This coverage may be rejected.
Personal Injury Protection	31A-22-302-2 – 31A-22-306 31A-22-307 – 31A22-308 31A22-309 – Bulletin 99-1, 89-3, 96-8,	Coverage is mandatory and may not be rejected. Coverage may not be subject to a deductible. Coverage may not be limited to accidents occurring in Utah.
Work Loss	31A-22-307-4(a)(b), Bulletin 96-7, 94-4	The insured may waive for the named insured and the named insured's spouse only the loss of gross income benefits if the insured states in writing that; A-within 31 days of applying for coverage, neither the insured nor the insured's spouse received any earned income from regular employment; and B-for at least 180 days from the date of the writing and during the period of insurance, neither the insured nor the insured's spouse will receive earned income from regular employment.
<b>RATING</b>		
<b>Pricing</b>		
Rate Standards	31A-19a-201, 31A-19a-202	Rates may not be excessive, inadequate, or unfairly discriminatory
Rate filings	31A-19a-203, Rule R590-225	All rates, all supplementary information, and all changes in amendments to rates and supplementary information must be filed within 30 days of the date you start using them.
<b>Rating Plan Requirements</b>		
Rate modification plan rule	R590-121- Bulletin 96-7	Establishes a maximum, total modification for any rating plans that fit the rules – to a +/- 25%. No exceptions
Policy Rating Principles	R590-127- Bulletin 96-7	Experience Rating Plans, Rate Modification Plans, Schedule rating, Irpm plans, and Similar Plans Providing for Ranges of Rates, Tiered Rating, Unfair Discrimination, see Rule/Bulletin for details
Tiered Rating	31A-19a-214	Tier Rating is permitted in Utah. However, we require the filing of the underwriting guidelines, which specify the criteria for placing a risk in a given tier. We also require actuarial data justifying the different tiers either by differences in expected losses and/or differences in expenses. This information is required to permit the department to determine that the tiers are not unfairly discriminatory.
Not at Fault Accidents/Comprehensive losses	31A-19a-212	You may not use not at fault or comprehensive losses as a tiering criteria.
<b>Terrorism</b>		
Not allowed on personal lines products	Bulletin 2003-2	Terrorism exclusions are not allowed on personal lines products
<b>General Filing References</b>		
Frequent problems found in filings	Bulletin 96-7	See Bulletin
Claims made	Bulletin 86-5	See Bulletin
Procedures for the submission of property and casualty Rate, Rule and	Rule R590-225	See Rule

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